

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 54 – SB 127

March 19, 2017

SUMMARY OF ORIGINAL BILL: Prohibits state and local governments from taking discriminatory action against a business based on that business's internal policies that are in compliance with state law.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – To the extent a business contracts with or receives a grant from a state or local government entity and adopts a policy in compliance with state law but out of compliance with federal law, federal funds may be withheld. The extent of any potential federal withholding is based on multiple unknown factors and cannot be reasonably determined.

IMPACT TO COMMERCE OF ORIGINAL BILL:

Other Fiscal Impact – In the event federal funds are withheld as a result of a business's non-compliance with federal law, commerce and jobs may be impacted. The extent of any impact is dependent on multiple unknown factors and cannot be reasonably quantified.

SUMMARY OF AMENDMENT (003286): Adds and removes certain language such that the amended bill prohibits a state or local government from taking discriminatory action against a business based on that business's internal policies that are in compliance with state or federal law.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Businesses adopting internal policies in compliance with federal law will not result in any significant impact to state or local government.

- Based on information provided by the Department of Revenue, the department does not administer taxes in a manner inconsistent with state tax law, regardless of a business's internal policies. Businesses with internal policies contrary to Tennessee tax law would not limit the department's ability to proceed with assessment and collection.
- Based on information provided by the Department of Commerce and Insurance, the Department of Health, and the Department of Finance and Administration, if a department was to enter into a contract or administer a grant to a business with an internal policy that does not comply with federal law, the department would risk losing federal financial assistance.
- The circumstances under which each department could lose funding and the amount of any potential federal funding loss are unknown and cannot be reasonably quantified.

IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:

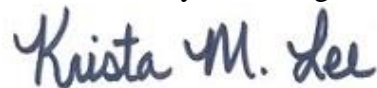
Unchanged from the original fiscal note.

Assumptions for the bill as amended:

- Businesses that adopt internal policies out of compliance with federal law and are contracting or accepting grants from state and local governments risk losing grants and contracts that may impact commerce and jobs of the business. The circumstances and the extent of any potential impact are unknown.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Krista M. Lee, Executive Director

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